



Report to: General Committee

Meeting Date: February 4, 2019

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**SUBJECT:** Additional City of Markham Comments on the Province's Increasing Housing Supply in Ontario Consultation Document

**PREPARED BY:** John Yeh, Manager, Policy – ext.7922

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**RECOMMENDATION:**

- 1) That the report entitled “Additional City of Markham Comments on the Province’s Increasing Housing Supply in Ontario Consultation Document”, dated February 4, 2019 be received;
- 2) That the report entitled “Additional City of Markham Comments on the Province’s Increasing Housing Supply in Ontario Consultation Document”, dated February 4, 2019, be forwarded to the Assistant Deputy Minister of Municipal Affairs and Housing;
- 3) That the City of Markham work with the Province to streamline the development application process including matters such as public consultation requirements in the approvals process;
- 4) That the City of Markham request the Province to review their One Window Planning Service for input, review, and approval of planning applications that includes streamlining review processes and utilize technology for enhanced coordination between Ministries; and
- 5) And that the City of Markham request the Province to amend the *Development Charges Act, 1997 as amended*, to eliminate the 10% reduction for services and reduce the list of ineligible services.

**PURPOSE:**

This report provides additional recommendations that build on the recommendations endorsed by General Committee on January 21, 2019 regarding the report entitled “City of Markham Comments on the Province’s Increasing Housing Supply in Ontario Consultation Document”.

**BACKGROUND:**

On January 21, 2019 the General Committee staff report entitled “City of Markham Comments on the Province’s Increasing Housing Supply in Ontario Consultation Document”, addressed the following broad theme areas from the Province aimed at removing the barriers to building new housing:

- Streamlining development approvals;
- Relaxing restrictions to allow a mix of housing where it is needed;
- Lowering the costs of government imposed fees and charges;

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- Improving the rental housing system for landlords while protecting tenant rights; and
  - Identifying opportunities and innovations to increase housing supply.

The staff report broadly discussed issues related to:

- Length of development approvals related to infrastructure approvals from other levels of government;
- Compliance with provincial building code standards;
- Improving coordination of development approvals with other levels of government
- The need for purpose-built rental housing that is affordable to middle-income households
- Allowing municipalities to recover the full share of growth related housing costs to make it easier to ensure service land can be available in the right places for housing;

The recommendations endorsed on January 21, 2019 by General Committee and the staff report entitled “City of Markham Comments on the Province’s Increasing Housing Supply in Ontario Consultation Document” were submitted to the Province on January 25, 2019 prior to the commenting deadline as follows. The January 21, 2019 General Committee staff report and recommendations were approved by Council on January 29, 2019.

- That Markham City Council does not endorse or support proposed changes to the *Development Charges Act, 1997, as amended*, to reduce the infrastructure recoverable through development charges, and that any changes should ensure that growth pays for growth and does not create a greater financial burden on existing property tax payers;
- That the City of Markham offer to work with the Province to establish creative solutions to affordable housing and home ownership, including secondary suites, and grant municipalities greater control in applying those solutions;
- That Markham City Council request that the Province extend the timeline for providing comments for an additional 30-days in order to provide meaningful proposed solutions from municipalities, the development industry and members of the public; and
- That Markham City Council request that the Province immediately undertake process reviews to streamline the development process especially as it relates to three areas of importance: 1) streamlining the Ministry of Transportation permitting process; 2) revamping the environmental assessment process to be more effective and efficient; 3) examining the permitting and reporting processes at the conservation authorities to comment on applications in a more timely manner.

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**OPTIONS/ DISCUSSION:**

Building on these recommendations, the following section describes additional recommendations for the Province to consider as input to increasing housing supply.

**1. That the City work with the Province to streamline the development application process including matters such as public consultation requirements in the approvals process**

Public consultation is an important component of the application process but there could be ways to streamline public consultation to ensure more timely decisions which include providing flexibility for public notification requirements for certain types of planning applications.

**2. That the Province should review their One Window Planning Service for input, review, and approval of planning applications that includes streamlining review processes and utilize technology for enhanced coordination between Ministries**

There is efficiency in the Province's One Window Planning Service by coordinating application reviews through the Ministry of Municipal Affairs and Housing but improvements are needed with clarity in timing, coordination, and consistency with obtaining comments from other Ministries.

**3. That the Province amend the *Development Charges Act* to eliminate the 10% reduction for services and reduce the list of ineligible services**

Council has endorsed in the past that growth should pay for growth and there should be no changes to the *Development Charges Act 1997, as amended, (DCA)* to reduce eligible costs to services currently being recovered for. As noted from the January 21, 2019 General Committee report "City of Markham Comments on the Province's Increasing Housing Supply in Ontario Consultation Document", there is no evidence that lower development charges will result in an increase in housing supply. Development charges represent approximately 5-7% of the price of a new single-family home in the Greater Toronto Area ("GTA") and Ottawa. Changes to the DCA should focus on eliminating the 10% reduction for services such as indoor recreation and park development and reducing the list of ineligible services to ensure growth pays for growth, such as hospitals.

The Province in their consultation document listed barriers to new housing supply and included cost as one such barrier. The document stated that, "Development costs are too high because of high land prices and government-imposed fees and charges". Submissions to the Province by the Association of Municipalities Ontario ("AMO") and the Municipal Finance Officers' Association ("MFOA") support the City's position that reducing development charges will not improve housing affordability. They concur that a reduction in development charges will:

- not improve housing affordability as land economics show that the market sets housing prices and factors such as population growth, income growth, interest rates and the general state of the economy have the most significant impact on housing demand and pricing
- not result in a decrease in the cost of growth-related infrastructure. This cost will instead be transferred from developers to new and existing homeowners through

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- higher property taxes and utility rates thereby increasing the overall cost of housing for everyone, including low income families and seniors
- result in municipalities having less funds available to put infrastructure in place to support new development in a timely manner.

AMO and the MFOA are also in agreement that growth should pay for growth and currently development charges do not cover the cost of growth-related capital infrastructure and the shortfall is being subsidized by property taxes. Attached are the submissions to the Province by AMO (Appendix A) and the MFOA (Appendix B and C).

Markham will continue to work with the Province to explore ways to increase the housing supply including purpose-built rental and affordable housing while ensuring growth pays for growth. Staff will continue to monitor Provincial activities related to planning and housing initiatives that may inform further comments regarding increasing the supply of housing. It is recommended Council express its support for the additional recommendations contained in this report on the Province's Increasing Housing Supply in Ontario Consultation Document.

#### **FINANCIAL CONSIDERATIONS**

Not Applicable

#### **HUMAN RESOURCES CONSIDERATIONS**

Not Applicable

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

The recommendations in this report support the City's efforts to manage growth and ensure a fiscally prudent and efficient municipality which are key elements of the Safe & Sustainable Community and Stewardship of Money & Resources strategic priorities.

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

Comments from Planning and Finance Departments were included in this report.

#### **RECOMMENDED BY:**



Arvin Prasad  
Commissioner, Development Services

#### **ATTACHMENTS:**

Appendix A – AMO – The Importance of Development Charges

Appendix B – MFOA – Who Pays for Growth?

Appendix C – MFOA Technical Response to: Increasing Housing Supply in Ontario, A Consultation Document